Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C.

In the Matter of CellCo Partnership d/b/a)	
Verizon Wireless and Spectrum Co LLC)	
For Consent to Assign Licenses)	
)	WT Docket No. 12-4
Application of Cellco Partnership d/b/a)	
Verizon Wireless and Cox TMI Wireless, LLL)	
For Consent to Assign Licenses)	

REPLY COMMENTS OF BUFFALO COMMUNITY ORGANIZATIONS AND ELECTED OFFICIALS

New York State Assemblymember Sean Ryan
Erie County Executive Mark Poloncarz
Erie County Legislator Timothy Hogues
Erie County Legislator Lynn Marinelli
Buffalo Common Councilmember Richard Fontana
Buffalo Common Councilmember David Franczyk
Buffalo Common Councilmember Joseph Golombek, Jr.
Buffalo Common Councilmember Michael LoCurto
Buffalo Common Councilmember Darius Pridgen
Buffalo Common Councilmember David Rivera
Buffalo Common Councilmember Demone Smith
Western New York Area Labor Federation

CWA Local 1122

IUPAT District Council #4

Labor Council for Latin American Advancement Public Employees Federation Region 1 1199 SEIU Upstate

United Steelworkers of America International Union

Citizen Action of Western New York

Coalition for Economic Justice

North Park Community Association

People United for Sustainable Housing - Buffalo

Workforce Development Institute

Msgr. David Gallivan, Holy Cross RC Parish

Rabbi Alex Lazarus-Klein

Rev. Drew Ludwig, Lafayette Presbyterian Church

Pastor George Nicholas, Lincoln United Methodist Church and Metropolitan Methodist Church Rev. Merle Showers, Ontario Street United Methodist Church

Sr. Edith Wyss, Sisters of St. Francis

Dated: March 26, 2012

As elected officials and community leaders (organizations) in the City of Buffalo and Western New York region, we are deeply concerned that the proposed partnership between Verizon Wireless and the cable companies will leave our city of Buffalo – and comparable communities – on the wrong side of the digital divide. Despite what we consider a strong business case, Verizon has to date not built its all-fiber network in the city of Buffalo. As a result of the Verizon/cable company partnership, we are deeply concerned that Verizon will never build its FiOS network in Buffalo to compete with its new cable partner. This will deprive our citizens, small businesses, schools, and hospitals of the benefits of the all-fiber FiOS network and video competition that is available in many of the surrounding suburbs. The decision to bypass Buffalo disproportionately impacts minority and lower-income residents, small businesses, and neighborhoods.

In order to protect the public interest, we join together to urge the FCC to condition any approval of the Verizon/cable Transaction on specific guarantees that Verizon will expand its FiOS network to currently unserved areas within its traditional telephone network footprint, including development throughout the city of Buffalo and the surrounding areas that do not have access to FiOS.

Assembly County Executive Mark Poloncarz represents Erie County, New York Legislator
Timothy Hogues represents the 1st District in the Erie County Legislature. Legislator Lynn
Marinelli represents the 3rd District in the Erie County Legislature. Councilmember Richard
Fontana represents the Lovejoy District of the City of Buffalo Common Council.
Councilmember David Franczyk represents the Fillmore District of the City of Buffalo Common
Council. Councilmember Joseph Golombek, Jr. represents the North District of the City of

Buffalo Common Council. Councilmember Michael LoCurto represents the Delaware District of the City of Buffalo Common Council. Councilmember Darius Pridgen represents the Ellicott District of the City of Buffalo Common Council. Councilmember David Rivera represents the Niagara District of the City of Buffalo Common Council. Councilmember Demone Smith represents the Masten District in the Buffalo Common Council.

The Western New York Area Labor Federation is a coalition of five Central Labor Councils in the Western New York region, including the Buffalo, Niagara/Orleans, Dunkirk, Jamestown, and Cattaraugus/Allegany Labor Councils, and represents more than 100,000 union members from all walks of life. The Communications Workers of America Local 1122 represents more than 500 workers in the Buffalo area in telecommunications, broadcasting, journalism, health care, manufacturing, and other fields. The International Union of Painters and Allied Trades District Council #4 represents painters, tapers, glaziers, glass workers, billboard posters, wall coverers, printing press workers in Western and Central New York. The Labor Council for Latin American Advancement is a constituency group representing Latino worker from the AFL-CIO and Change to Win Federations, fighting for the rights of all workers seeking justice in the workplace and their communities. The Public Employees Federation is New York's second-largest state employee union and represents hundreds of employees who work in privatesector jobs and local government agencies. The Upstate Division of 1199 Service Employees Internataional Union is the voice of health care employees in western, central, and northern New York State and includes more than 17,000 health care workers at 20 hospitals and over 45 nursing homes as registered nurses, hospital workers, and nursing home workers. The United Steelworkers of America International Union represents over 1.2 million active and retired members in the manufacturing, service, education, medical, and public sector jobs.

Citizen Action of New York is a grassroots membership organization that takes on big issues at the center of transforming American society, building a powerful coalition to fight for economic, racial, social and environmental justice. The Coalition for Economic Justice is an ongoing coalition of labor, faith, community, academic and student activists and organizations engaged in collective action to promote strong, sustainable communities and economic justice for all. The North Park Community Association is composed of individuals and small business owners striving to improve the North Park neighborhood in the City of Buffalo. The mission of People United for Sustainable Housing (PUSH) Buffalo is to mobilize residents to create strong neighborhoods with quality affordable housing, to expand local hiring opportunities and advance economic justice in the City of Buffalo. The Workforce Development Institute serves working families in New York State, providing employment-related services that address training issues; the decline of jobs and creation of new ones; the effects of new technologies and globalization; and the redesign and organization of work.

Msgr. David Gallivan is the pastor at Holy Cross, a parish of the Roman Catholic Diocese of Buffalo. Rabbi Alex Lazarus-Klein is a Reconstructionist rabbi and writer who is active in many Jewish organizations in the Western New York area. Rev. Drew Ludwig is the pastor at Lafayette Presbyterian Church in the Elmwood Village neighborhood of the City of Buffalo. Rev. George Nicholas is the Senior Pastor at Lincoln United Methodist Church and Metropolitan United Methodist Church, both of which are located in poor communities on the East Side of the City of Buffalo. Rev. Merle Showers serves at the Ontario Street United Methodist Church in Buffalo. Sr. Edith Wyss is the provincial minister of the Sisters of St. Francis of Penance and Christian Charity

High-speed broadband is the critical infrastructure of the 21st century, fueling economic growth, job creation, and improvements in education, health care, energy conservation, public safety, and other essential services. As community leaders (organizations) and elected officials in Buffalo, we know that affordable, high-speed Internet access is critical to economic development, the quality of life, and opportunity for the residents and small businesses in our city. We also know that advanced telecommunications networks introduce video competition, with the potential to benefit consumers with lower prices and new and improved video services.

For the past few years, we have watched as Verizon Communications has built its allfiber FiOS network in 10 suburban communities that ring our city. In those communities, we
have seen what happens when Time Warner Cable, our local cable monopoly, competes head-on
with Verizon's FiOS to provide video and broadband services. Consumers benefit from
competitive choice; small businesses benefit from truly high-speed connections to suppliers and
customers; schools and hospitals benefit from education and health-related applications;
communications workers benefit from the jobs building, maintaining, and servicing networks;
and families and communities benefit from the 21st century jobs and expanded tax base.

But the residents and small business owners in Buffalo have not been able to reap these benefits. To date, Verizon has chosen not to deploy its all-fiber FiOS network to the more densely-populated city of Buffalo. The proposed Verizon Wireless/cable company partnership would cement this digital divide and foreclose the possibility of effective high-speed broadband and video competition in our city. Verizon Wireless is a subsidiary of Verizon Communications. We are deeply concerned that as a result of the new joint marketing agreement, Verizon will no longer have the incentive to invest in an all-fiber network that competes with Verizon Wireless' new partner, the cable company. Therefore, to promote high-speed broadband investment and

video competition, especially in heavily minority and lower-income areas like the city of Buffalo, the FCC should include as a condition for approval of this Transaction a requirement that Verizon continue to invest in and build-out its FiOS network to currently unserved areas that are inside its traditional telephone service area footprint, including the city of Buffalo and the surrounding areas.

Over the past year, community organizations, elected officials, and unions joined together to urge Verizon to build FiOS in the city of Buffalo. Many of us joined the "Don't Bypass Buffalo" coalition in response to Verizon's failure to build FiOS in Buffalo. We repeatedly impressed on Verizon the facts to demonstrate that there is a strong business case to build FiOS in the City of Buffalo.

Rather than building FiOS in Western New York's urban core, Verizon opted to build its fiber optic network in certain Buffalo suburbs, which, taken as a whole, are far more affluent and less diverse than the City of Buffalo. *The decision to bypass Buffalo disproportionately impacts minority and lower-income residents, small businesses, and neighborhoods.* Median household income in the ten localities where Verizon has received video franchises for its FiOS service is \$56,925, almost twice the median household income of the city of Buffalo at \$29,285. Almost half (44.9 percent) of the residents of the city of Buffalo are African-American or Latino, compared to only 4.9 percent of residents in the ten localities that Verizon chose for FiOS. ¹

We are concerned that the Verizon Wireless/cable company agreement spells the effective death knell of a fiber-optic future for Buffalo with our significant minority and lower-income population. Verizon is unlikely to jeopardize its partnership with the cable companies by

¹ U.S. Census Bureau, American Community Survey, 2009. The quoted demographics reflect weighted averages of all households in the 10 Buffalo suburbs with Verizon FiOS: the towns of Tonawanda, Amherst, West Seneca, Hamburg, Orchard Park; the villages of Kenmore, Blasdell, and Orchard Park; and the city of Lackawanna. See The Coalition for Economic Justice, *Bypassing Buffalo: Who is Getting Verizon's FiOS and Who Isn't* available at

expanding the FiOS network, which is a direct cable competitor. The same reasoning applies to Verizon's willingness to aggressively market FiOS against Time Warner Cable or other cable companies. Historic rivals will become partners – and consumers will suffer.

The lack of a fiber optic network has serious consequences for Buffalo's future, including:

- No cable competition. Time Warner Cable is the monopoly cable provider in the City of Buffalo. If Verizon does not build FiOS, Time Warner will maintain its monopoly in Buffalo.
- No jobs from building FiOS. Building, installing and maintaining the FiOS network in Buffalo requires hundreds of workers.
- No jobs from economic development sparked by a high-speed network broadband access leads to economic development.²
- Higher prices. As FCC studies demonstrate, even one wire line competitor leads to lower prices.³
- Inferior service quality. Monopoly providers can neglect service quality because they do not face competitive pressure.

High speed internet service is no longer a luxury. In today's economy, it is a necessity.

The FCC should condition any approval of this Transaction on conditions that guarantee FiOS network development, including development throughout the city of Buffalo and the surrounding areas that do not have access to FiOS.

Respectfully Submitted,

March, 26 2012

² An analysis by the Canadian firm SNG found that for every dollar spent on broadband infrastructure there is a tenfold return to the community in increased economic activity. See Michael Curri, Strategic Networks Group. "The Transformative Effects of FTTP" (March 2008) available at http://tinyurl.com/6m9cfw

³ See FCC, Report on Cable Industry Prices, MM Docket No. 92-255, Feb. 14, 2011.